

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1981 - SB 2226

March 9, 2014

SUMMARY OF BILL: Creates the “Healthy Workplace Act” which prohibits workplace harassment, intimidation, or bullying and provides civil legal relief for employees who have been harmed by such actions in the workplace. Authorizes the Commissioner of Labor and Workforce Development (DLWD) to administer the Act, assess civil penalties under certain circumstances, and to promulgate rules and regulations. Requires employers, in consultation with DLWD, to adopt a policy prohibiting harassment, intimidation, or bullying by July 1, 2014. Sets forth information to be included in such policies.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$106,000/One-Time
\$289,300/Recurring**

Assumptions:

- According to the Department of Labor and Workforce Development (DLWD), the department will require three inspectors (one in each grand division) and two support staff members to implement the provisions of this bill.
- Based on information provided by DLWD, salary and benefits for three additional inspectors are estimated to be \$193,358; for one additional assistant is estimated to be \$51,748; and for one additional clerk is estimated to be \$44,196. The total recurring increase in state expenditures is estimated to be \$289,302 (\$193,358 + \$51,748 + \$44,196).
- Based on information provided by DLWD, one-time state expenditures related to the new positions is estimated to be \$106,000.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Any increase in state revenue from assessed civil penalties is estimated to be not significant.
- Any other fiscal impact as a result of this bill will be borne by private parties.

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IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Subjecting employers to the possibility of additional civil penalties and civil actions, as well as requiring them to create and adopt policies prohibiting harassment, intimidation, or bullying, will increase business expenditures for Tennessee businesses. However, any such increases are estimated to be not significant.
- No change in business revenue as a result of this bill.
- Any net impact to Tennessee jobs is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/dwl